

# Construction WORLD

## CLOUD

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Simon Berry, director, Axxess Projects.

massive discounting will continue the downward spiral and result in massive damage to the industry and economy overall.

He says that work supply could already be at a dangerous low based on the near completion of projects that started post the 2008 recession. "We find it useful to use the civil engineering sector as a business barometer as they tend to lead the rest of the industry. Most projects first start with civil's involvement such as roads, water and sewerage. This is then followed by other services such as structural, electrical, chemical and architectural."

A significant drop seen in the civil sector, along with the fee-scale discounting others, adversely affect the market. "Not only will fees be less work, but the fees earned, based on informed discounting, will make it near impossible to declare any reasonable profits. It's not only kill an industry, but it also kills the skills within the industry backing."

He says in a plight to be more fairly paid many engineers move into other sectors or immigrate to get better salaries and growth opportunities. "This adds to an already acute skills shortage within the engineering sector in South Africa."

Adding to the uncertainty, he says that the competition commission has been investigating the fee-scale practice for the past five years, which was initiated in the United Kingdom 20 years ago.

"It is becoming more important for professionals rely less on fee-scales and work out their own basic business pricing using an online system that the process not only, but easy, quick and accurate."

## CANAL DISTRICT UNDERWAY

The R700-million first phase of a new district at the V&A Waterfront is underway with a corporate head office for British American Tobacco South Africa (BAT South Africa) as the first project in this mixed-use area.

➤ Totalling 75 000 m<sup>2</sup> for 76 hectares, the mixed-use Canal District straddles both sides of Dock Road. The V&A Waterfront's acquisition of the Arway and Queen's House buildings in 2014 has a connection to the city centre to the V&A Waterfront, and into the main pedestrian route that runs along Dock Road.

David Green, CEO of the V&A Waterfront, said: "Demand for commercial space at the V&A Waterfront is driving development in this District. This district is also a piece in the jigsaw puzzle that provides a seamless link with a canal at its heart, as well as a new urban park incorporating the remnants of the historical Amsterdam Bakery. The Canal District is essentially the first point of contact with the V&A Waterfront for visitors entering the City Centre."

The first building in the District, Amsterdam House, is divided into two at the centre, with the multi-national BAT South Africa occupying 8 000 m<sup>2</sup> in the south wing.

"The V&A Waterfront takes a holistic view of development as a space in which people can live, work and play. For a multi-national company the attraction for the relocation of its head office is of significance and speaks to the popularity of our development initiatives."

As with all other V&A Waterfront developments Amsterdam House has been designed according to best practice green design principles and is intended to achieve a minimum 3-Star Green Rating using the Green Star SA Office Design VI rating tool.

NMC has been announced as the contractor. Commenting on their appointment V&A Waterfront development executive Martin Krums said: "With more than 30 years' experience, we are confident that NMC, as a new partner, will deliver to our exacting standards and tight deadlines."

Completion of Amsterdam House and the car park is expected in November 2015.



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